

AMENDMENT 1

RFA Title: Agricultural Exports and Rural Incomes (AERI) Request for Applications RFA 263-P-03-002

The RFA is amended as follows:

1. Regarding the instructions to applicants for both grants and the cooperative agreement, delete paragraph 4 from section B.1.b.15.
2. To provide the answers to questions that have been received.

Please address any questions regarding this RFA to Hani Takla, htakla@usaid.gov and Nihal Montasser, nmontasser@usaid.gov.

AERI RFA questions

1. For purposes of AERI, where does Upper Egypt start? Just south of Cairo, or is it Middle Egypt from there to Minya, then Upper Egypt further south?

Response to Q1: Our definition of Upper Egypt is south of Cairo. However, to take full advantage of windows of opportunities for horticultural exports, and to increase the impact of the project on rural incomes and employment, focusing, for example, on south of Minya may offer a more cost-effective alternative.

2. Can sites in Lower Egypt (e.g., the Delta) be considered if there are technical or organizational justifications for including them as a complement to the main sites for horticulture and livestock in Upper Egypt?

Response to Q2: Yes, however, applicants must keep in mind AERI higher-level objectives and goals to increase employment and rural incomes. These objectives may be harder to meet if there is no geographical focus.

3. There appears to be no advantage in specifying key personnel for the horticultural and dairy/livestock grants. No points are awarded under the selection criteria and presenting resumes in an annex appears to be optional. Is that correct?

Response to Q3: Specifying the technical personnel is required. Selection criteria include the technical qualifications and experience of the proposed technical advisors relative to the program description (under Selection Criteria, Technical Feasibility, pages 63 and 67 of 88). CVs are required but you may submit them in an annex instead of in the main body of the proposal.

4. The cover letter specifies that "...the term 'Grant' is synonymous with 'Cooperative Agreement'; 'Grantee' is synonymous with 'Recipient'; and 'Grant Officer' is synonymous with 'Agreement Officer'." Despite that, the Program Descriptions and the Instructions to Applicants seem to distinguish clearly between the two. The intent to award two grants and one cooperative agreement is mentioned in several places. Substantial Involvement is invoked only for the Institutional Linkage Cooperative Agreement. Will two distinct instruments be used, and if so, what are the implications?

Response to Q4: Yes, grants will be awarded for horticulture and dairy and a cooperative agreement for Institutional Linkages. Applicants are to determine the implications of using distinct instruments.

5. Familiarity with Egypt and specifically Upper Egypt, its small farmers, local conditions, potential for export crops, institutional milieu, and other aspects does not appear to be assigned value in the selection criteria under the horticulture/livestock RFA. Is that right?

Response to Q5: Yes.

6. Section B.1.b.15.4 says “Neither financial data submitted with an application nor representations concerning facilities or financing will form a part of the resulting Grant(s).” What does that mean? It sounds like applicants that claim in the proposal to have facilities or finances available for use in the project will not be held to their representations.

Response to Q6: This section will be deleted.

7. Can project funds be used to support acquisition of post harvest equipment to process agricultural products for export either directly or via credit guarantee schemes with USAID support?

Response to Q7: No, project funds cannot be used to support acquisition of post-harvest equipment.

8. Clarify how long any offer submitted under the RFA has to be good for. The RFP states 120 days. The RFA states 210 days. Could this latter one be a typing error?

Response to Q8: This is not a typing error. The RFP states 210 days.

9. For the two grants which will be awarded under the RFA, the selection criteria (pg. 75) include the "technical qualifications and experience of the proposed technical advisors". However, as grants are being awarded, "Substantial Involvement" regarding Key Personnel does not apply. Additionally under instructions to applicants on pg. 40 it states CVs "may" be included in the annex, inferring they are not required. Clarify if offerors are required to include CVs for the proposed positions.

Response to Q9: Refer to response to Q3. CVs are required.

10. Section VII on Staffing Structure and Qualifications states the grantees will staff "an office in Upper Egypt". Does this imply no office in Cairo is allowed? Additionally, does it imply only one office in Upper Egypt is envisioned?

Response to Q10: Applicants should propose what makes technical sense and is cost-effective. At a minimum, one office in Upper Egypt is required. This does not apply to the Cooperative Agreement.

11. Concerning result expected of five-fold increase in exports - Is this five-fold increase expected from the whole AERI program or from exports in horticulture alone? If the latter, does this expected increase include all farmers, large and small or just small and medium farmers in Upper Egypt?

Response to Q11: The five-fold increase expected is in horticultural exports. This should happen through the contribution of all project activities including contract and grant activities. Small, medium and large farmers are included.

12. Is the baseline for the five-fold increase required from current export levels including those from large farmers, or is it only that which is exported by small and medium farmers?

Response to Q12: Applicants should consider, for their baseline, a sub-set of small and medium farmer export crops and how export of these crops will increase as a direct result of project activities including RFA grant activities.

13. Concerning employment – Does the increase mean the difference between current employment levels in Upper Egypt in the whole agriculture sector and the employment generated by new or expanded export activities by small and medium farmers in Upper Egypt?

Response to Q13: The increase in employment refers to an increase directly attributable to project activities as a result of new or expanded export activities by targeted farmers.

14. Would USAID look favorably upon a strategy that includes and justifies wide coverage of Upper Egypt with more than the local LTТА person months included in the horticulture/livestock RFA?

Response to Q14: The person month levels mentioned in the RFA are illustrative.

15. If permanent crops were planted, e.g. grapes, but not yet harvestable would there be consideration for the potential exports and people to be employed?

Response to Q15: Yes.

16. Is there any financial loan mechanisms provided by USAID for the small growers? Are there any financial loan mechanisms or guarantee schemes for small farmers or their associations for post harvest/packing and cooling stations?

Response to Q16: At this time, USAID does not provide financial loan mechanisms to small growers.

17. Please clarify the amount of local currency budgeted for in the RFAs? Is this for social insurance and unemployment insurance or any other costs?

Response to Q17: All local expenditures shall be paid in Egyptian Pounds and reimbursed to AERI Contractor with US dollar equivalent. However, only the employer's share of social insurance coverage for Egyptian staff hired by the AERI Contractor shall be funded and reimbursed out of the local trust account "FT-800"). The local currency budgeted for in the RFAs is the Government estimate for the four-year budget reserved for social insurance coverage.

18. It is our understanding that a US public university is eligible to submit a bid to compete for any of the grants offered under the Request for Applications. Would you please confirm this?

Response to Q18: Yes a US public university is eligible to submit a bid to compete for any of the grants under this RFA.

19. Please define Upper Egypt geographically.

Response to Q19: Refer to response to Q1.

20. Of the 30,000 small and medium farmers to benefit from AERI, can USAID please clarify the number to be reached per award?

Response to Q20: Applicants are requested to propose appropriate number of farmers to target in their grant applications.

21. Please clarify species included in USAID's definition of "livestock" for this RFA.

Response to Q21: We define livestock to include beef and dairy cows and buffalos. However, the applicant may include other species as long as the decision to do so furthers project goals and objectives.

22. Please clarify that the timetable, Letters of Support and Past Performance references can be included as attachments, and not within the 45- page limit.

Response to Q22: Yes, also refer to response to Q30.

23. What level (%) of cost sharing is anticipated by USAID on the RFA cost proposals?

Response to Q23: No percentage is specified.

24. Is USAID anticipating an allocation of RFA funding to the MALR by the implementers?

Response to Q24: No.

25. Will USAID permit grants-making as a component of RFA proposals?

Response to Q25: Grant-making is only permitted under the Cooperative Agreement (refer to the program description for the Cooperative Agreement for details).

26. On page 52, section X, please clarify what is meant by "additional letters of support from USAID Missions or Bureaus or client-country governments or organizations". Should applicants seek endorsement of RFA proposals by these entities, or does USAID envision letters from these entities regarding past work of the applicant?

Response to Q26: USAID envisions letters from these entities regarding past work.

27. Regarding off-shore training, does the Centralized Participant Training Contractor pay for training costs such as participant travel costs, trainer fee and training materials, or should proposals for AERI grants/cooperative agreement include these costs in the budgets?

Response to Q27: Applicants should not budget for participant travel costs, trainer fee and training materials for off-shore training.

28. USAID includes both U.S. dollar and Egypt pound amounts in each of the three intended awards (pages 8- 9 of RFA). Should the cost proposal(s) include separate budgets for different currencies, or does USAID expect to see an integrated budget?

Response to Q28: Separate budgets should be prepared.

29. Offshore training under the AERI/Institutional Linkages award is currently undertaken by a Centralized Participant Training Contractor (CPTC) whose contract is scheduled to end in December 2003. In anticipation of the new mechanism for offshore training involving universities involved in this award, should the offshore training expenses be planned and budgeted separately in this proposal?

Response to Q29: No.

30. Do the following contribute to the page count maximum of 45 pages for the Institutional Linkage Cooperative Agreement and Grants?
- Letters of support?
 - Timetable
 - Tables and graphics?
 - Past performance
 - Annexes

Response to Q30: No.

31. May universities lead the RFA horticulture and livestock sub-sector grants?

Response to Q30: Yes, refer to the response to Q18.

32. Please clarify what is meant by the estimated grant amounts in dollars and LE. Is there an additional amount in Egyptian pounds over and above the dollar amount specified? Does it need to be budgeted separately?

Response to Q32: Please refer to responses to Q17 and Q28.

33. In order to accomplish all the project objectives, would sub offices be warranted in Upper Egypt (in addition to the one main office specified) in the areas of high smallholder density?

Response to Q33: Please refer to response to Q10.

34. The RFA states that the project should operate primarily in Upper Egypt (page 7). Would sub offices in other parts of Egypt be justified to enable the project to directly reach larger numbers of smallholder beneficiaries?

Response to Q34: Please refer to response to Q33.

35. According to the Management Approach for the Livestock Project on page 27, 260 person months are allocated for long-term staff including support staff. This is only 5.4 staff members, if they are to be there for the full period of 48 months. Is this number adequate to effectively supervise, manage and monitor a \$7.5 million project which aims to reach 30,000 beneficiaries?

Response to Q35: The levels of effort mentioned in the RFA are illustrative.

36. Please indicate how the target numbers of 30,000 beneficiaries and 40,000 new jobs on pages 12-13 are to be divided between the Livestock and Horticulture projects.

Response to Q36: Applicants are asked to propose target numbers of beneficiaries and new jobs under each grant.

37. Please clarify for what purpose the Egyptian pound (LE) allocations for the Livestock and Horticulture projects on pages 8 and 9 are to be used.

Response to Q37: Refer to response to Q32.

38. The RFA cites a limit of 45 pages for the technical proposal (page 50). Do the 45 pages include annexes (among them CVs and PPRs)?

Response to Q38: No, refer to response to Q30.

39. On page 53 under Cost/Business Proposal, the RFA states that bidders are to include the Program Description in this part, on a diskette. Shouldn't the Program Description go in the Technical Proposal, instead of the Cost Proposal? Or do you want it in both Proposals? Please clarify.

Response to Q39: Per instructions in RFA, please provide a diskette with the Program Description as part of the Cost/Business Proposal.

40. The instructions call for one unbound original plus seven copies of each Proposal. Should the seven copies be bound? Or do you prefer that everything (the original plus the seven copies) all be unbound? Please clarify.

Response to Q40: The seven copies should be bound.

41. The Certifications and Assurances section for the Dairy/Livestock Project appear to begin on page 58, in the middle of a clause. Should bidders await a resending of the Dairy/Livestock Certs or should we use the set of Certs that begin on page 87 instead? Please clarify.

Response to Q41: Applicants may want to reprint the RFA if they encounter this type of problem. Page 58 of 88 of the RFA contains information other than what is quoted in the question above.

42. Please provide a budget estimate for the offshore training planned reserved for grant and cooperative agreement activities.

Response to Q.42: The budget for offshore training reserved for the smallholder horticulture activity (funded outside the grant) is approximately \$1.3 million. It is approximately \$876,000 for the smallholder livestock activity and \$1.2 million for the institutional linkages cooperative agreement.

43. Will the applicant need Ministry of Agriculture and Land Reclamation approval to implement project activities in rural areas?

Response to Q.43: The applicant does not need to obtain special MALR approval at this time for this purpose.

44. Smallholders producing for export will need a source of funding to finance purchases of equipment as well as the construction of cooling facilities, for example. Why won't AERI allow the use of project funds for this purpose?

Response to Q.44: AERI is concerned about the sustainability of providing loans to farmers. Hence, it will not approve use of AERI funds for loans. The private sector will need to be active participants in this activity and we anticipate that they will be willing partners in the marketing of export crops. In addition, the GOE and donors such as the World Bank may have loan mechanisms that can be used for this purpose.

45. Can the long-term in-country coordinator under the Institutional Linkages Activity be an expatriate?

Response to Q.45: The Program Description for the Cooperative Agreement states that the long-term in-country coordinator will be Egyptian (page 26 of 88).

46. The Program Description for the Cooperative Agreement states that no in-country office will be needed for the in-country coordinator. Please comment.

Response to Q.46: A partner institution will need to provide office space. However, variable costs associated with the operation of this office, including office equipment and supplies may be included in the AERI budget.